

Washington, DC - Ways and Means member Rep. Linda Sánchez (D-CA), along with Rep. Kevin Brady (R-TX), introduced a bi-partisan bill today to restore a provision that enables tax-exempt bonding for “air and water pollution control facilities,” so that facilities can readily pay for the clean air and water technology necessary to meet rising Environmental Protection Agency (EPA) standards and reduce their impact on the environment.

“As we continue to look for ways to assist businesses and local governments in their efforts to reduce pollution, these bonds provide an affordable solution that puts people to work while providing cleaner and healthier communities,” said Rep. Linda Sánchez. “This is a smart and cost effective way for Congress to increase industries’ investment in air and water pollution control facilities.”

This authority was previously available (prior to 1986) and proved so effective that even facilities that were “grandfathered” - and not subject to clean air standards - opted to update their pollution controls voluntarily.

According to the EPA, as of 2005, there were 474 counties in thirty-two states, including Los Angeles, CA that had not yet met clean air standards for ozone, and additional counties and states had not met carbon monoxide or particulate standards either. Many states have also increased their enforcement of total maximum daily loads for water pollution. Considering the growing number of ill health effects linked to environmental conditions, and the uncertainty surrounding the global climate, clean air and water standards have continued to rise. This in turn has increased the demand and cost of pollution control technologies needed for clean industrial air and water emissions.

Ironically, since 1986, state and local governments have not been able to provide tax-exempt financing to privately owned air and water pollution control facilities, despite its demonstrated success. The Clean Air and Water Investment Act would return to state and local agencies the power to provide federal tax exempt bonding to industries to help ensure healthier and safer communities for American families. Furthermore, the bill does not present any added cost to the taxpayer nor any new liability to the U.S. Department of Treasury because it is subject to a pre-existing cap on private activity bonds. As of 2005, this cap held over \$18 billion in un-allocated funds.

“By allowing state agencies to access this surplus, my bill represents a cost-effective and sensible approach to help American businesses minimize their impact on our environment,” continued Sánchez.

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